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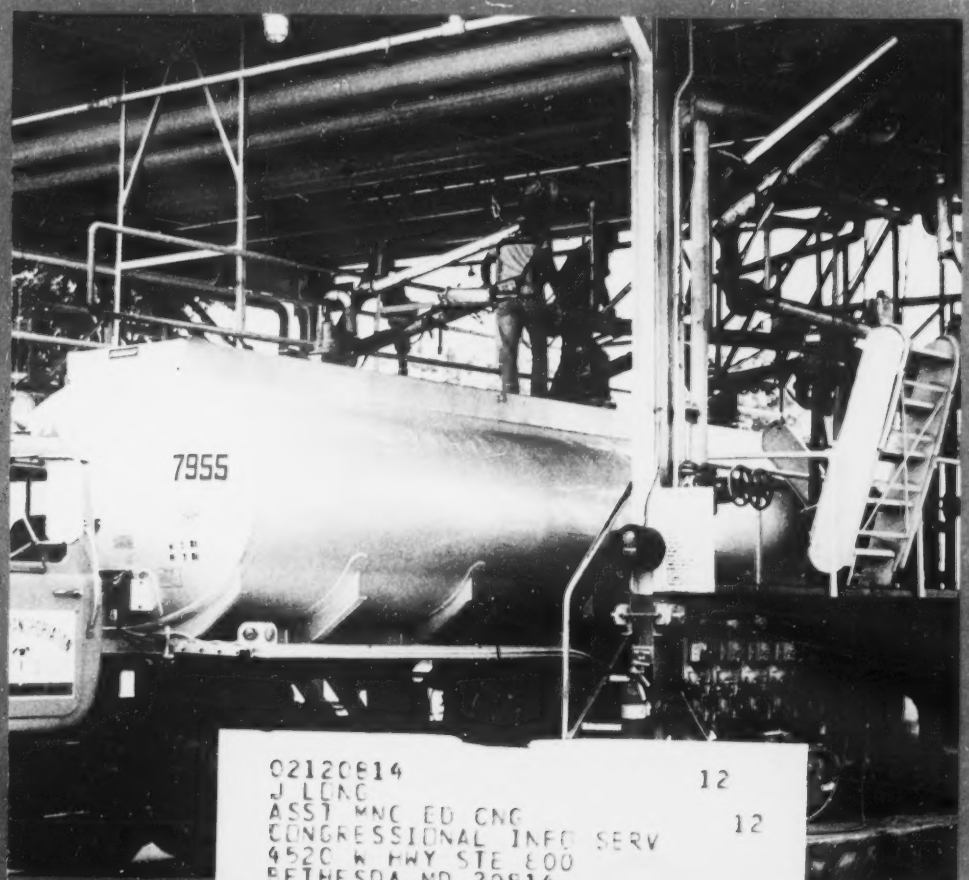

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- Annual Industry Study
- Supplier Directory
- Association Rollcall

fuel oil news

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This our ninth annual attempt at producing the industry's most comprehensive directory issue, complete with listings of all the major manufacturers of equipment and services used by oil heat marketers, an association directory and exclusive industry study. Cover design by Craig Reuter.

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The Oil Heat Industry—1986

Our Ninth Annual Profile of Marketers

By George Schultz, Editor

We began this annual study in 1978, the same year I joined *Fuel Oil News* as editor. What follows is our ninth effort at developing what we feel are the most comprehensive statistics published on the oil heating marketer. Each fall we go through the same routine of sending out several thousand questionnaires to a random group of fuel oil dealers throughout the country, then totaling up all the responses and putting them into the various tables so they make some sense. After the calculations are all completed, I pace around the office for a couple of days trying to decide what to say about it all before finally sitting down at my word processor to write this analysis.

Up front it is necessary to thank the many hundreds of oil men who took time out from their busy schedules to complete the rather lengthy questionnaire used to gather the data for this study. They are the real authors of this article. The questionnaires included more than 200 possible responses, covering virtually every aspect of oil marketing. Needless to say, without the raw data, the statistics presented here would not be possible, and I wouldn't have a byline.

TABLE 1
Type of Petroleum Sold
(Percent of Readers)

	Fuel Oil	Gasoline
New England	100%	27.6%
Mid-Atlantic	100	62.5
South	100	100
Midwest	94.3	100
West	100	72.5
All Sections	*98.9%*	*72.5%*

TABLE 2
Petroleum Revenue as a Percent of Total Business Income

New England	88.8%
Mid-Atlantic	83.3
South	97.0
Midwest	84.2
West	82.9
All Sectors	*87.2%*

For nine years we have asked the same basic questions in an effort to develop historic trends. We also add and subtract some secondary questions, depending on the current industry climate. For example, for the past two years we asked dealers how they felt about a number of issues, such as government controls and interference, competition from utilities and major oil companies, financial considerations, etc. We dropped these questions this year because we felt that opinions would not have changed much from last year so there was no point in covering the same ground. In their place, we asked about bulkplant capabilities and additive usage, two timely topics because of all the hoopla concerning leaking storage tanks and the degradation of fuel quality. It was interesting to discover that almost all dealers store products other than No. 2 fuel oil, including heavy oils, diesel, gasoline, Lpg and kerosene.

The Sample

In order to confirm that we were surveying the right people, one of the first questions we asked was what products they market. Table 1 provides the answer, and shows that virtually all (98.9%) of the respondents market fuel

Continued on page 76

TABLE 3
Sources of Business Income
(Percent of Total Business Income)

	FUEL OIL			
	Retail		Bulk	
	Primary	Secondary	Primary	Secondary
New England	89.7%	6.9%	13.8%	13.8%
Mid-Atlantic	90.6	9.4	21.9	18.8
South	83.3	16.7	16.7	33.3
Midwest	62.9	45.7	22.8	31.4
West	62.5	20.0	50.0	20.0
All Sections	*77.8%*	*19.7%*	*24.7%*	*23.5%*

	GASOLINE			
	Retail		Bulk	
	Primary	Secondary	Primary	Secondary
New England	13.8%	6.9%	13.8%	3.4%
Mid-Atlantic	40.6	12.5	25.0	18.8
South	50.0	50.0	50.0	*
Midwest	57.1	22.9	60.0	25.7
West	37.5	20.0	60.0	5.0
All Sections	*39.8%*	*22.5%*	*41.8%*	*10.6%*

*Less than .1%

oil, either on a retail or wholesale level. In fact, *all* those responding in four out of the five regions sell fuel oil. In the Midwest, just 5.7% don't, but they either install/service oil heating equipment, or are involved in the transportation of distillate or residual fuels.

Gasoline sales are really growing too, with this year's percentage of dealers who market motor fuels higher than ever in our nine-year study. Nationally, 72.5% of our respondents said they market gasoline either retail or wholesale, and New England is the only region in which a majority of dealers do not sell gasoline. The traditionally strong gasoline markets—the South, Midwest and West—saw the percentages grow too, and for the first time, more than half of the Mid-Atlantic dealers said they now sell gasoline.

To provide some historic perspective on this, in 1978 about 54% of our sample nationwide said they marketed gasoline. Most of this was concentrated in the South and Midwest. These areas are still the leaders, with 100% of the Southern and Midwestern marketers combination fuel oil/gasoline dealers.

This obvious trend to multiple product marketing is not indicative of diminished enthusiasm about oil heat's rejuvenation, but does show that marketers are less inclined to put all their eggs in one basket. Having lived with the ebbs and flows of the oil heating industry, they are now "hedging their bets" by being in a position to go whichever way is necessary to maintain profitability.

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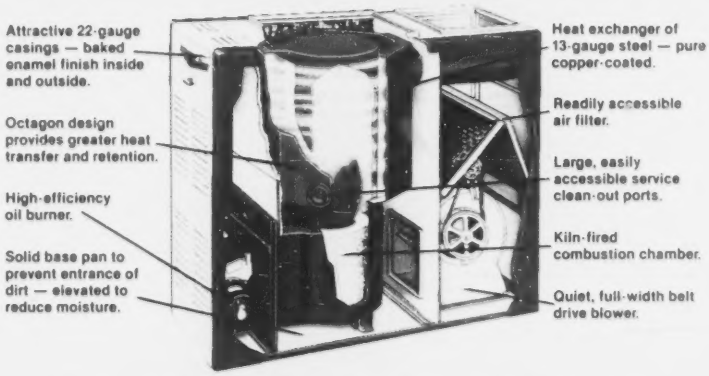
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Petroleum Product Revenue

Having established that the marketers do indeed sell fuel oil and gasoline (as well as other petroleum products), we asked how important petroleum products were in their overall businesses. Are they selling some fuel oil or gasoline as a sideline to some other, more important business, or is petroleum marketing their principal source of revenue? Table 2 provides the answer, and shows that the sale of fuel oil, gasoline and other petroleum products account for a whopping 87.2% of company revenues nationwide. Any other businesses are obviously not major contributors to the dealers in our sample, with non-petroleum revenue amounting to a scant 3% in the South and slightly more than 17% in the West, the two extremes in the sample. Last year, petroleum revenue as a percentage of total business income amounted to 81.5%, so this year dealers are relying even more heavily on their oil sales to bring in the bucks.

Judging from these statistics, it seems that dealers are concentrating their diversification into other petroleum markets rather than in unrelated businesses. Of course, there are a number of dealers who operate successful lawn care and swimming pool service subsidiaries, as well as a number of other businesses, but these companies are evidently in the minority according to our findings.

Specific Product Sales

Tables 3 and 4 reflect the importance of specific petroleum products. In the former, we asked respondents to tell us what products were primary contributors to business income and what was secondary. More than 77% said retail fuel oil sales were a primary part of their business, by far the largest share of all the options offered. Almost one-quarter said that bulk fuel oil was a primary source of income, and nearly 40% said that both retail and wholesale gasoline sales were primary.

From this we can infer that most dealers get most of their money from retail fuel oil sales, although gasoline marketing is primary to a majority of dealers in the South and Midwest, and bulk gasoline sales are primary to a majority of Southern, Midwestern and Western marketers. Bulk fuel oil sales are considered a primary source of business income to one-half of the Western

TABLE 4
Petroleum Products Sold
(Percent of Total Volume)

	No. 2	*No. 1*	*No. 4*	*No. 5 & 6*
New England	68.8%	5.7%	0.3%	0.6%
Mid-Atlantic	54.7	7.2	0.7	2.1
South	38.0	8.8	·	·
Midwest	21.9	6.0	·	0.7
West	46.7	3.6	·	0.3
All Sections	*46.0%*	*6.3%*	*0.2%*	*0.7%*
	No. 2 for Diesel	*Gasoline*	*LPG LNG*	*Other*
New England	8.1%	8.9%	2.6%	·
Mid-Atlantic	9.0	25.2	·	·
South	12.5	40.0	·	0.8
Midwest	6.0	51.2	1.1	1.0
West	26.5	35.5	1.3	0.7
All Sections	*12.4%*	*32.2%*	*1.0%*	*0.5%*

·Less than .1%

dealers surveyed, which represents the largest regional percentage for that category.

Trend-wise, there is some movement downward for retail fuel oil sales. In our last survey, 85.1% of our sample said retail fuel oil sales were a primary source of income. Just 12.2% said retail fuel oil was secondary in 1985. This corresponds to 77.8% primary and 19.7% secondary this year, supporting the notion that marketers are shifting their priorities. Retail gasoline sales are primary to 39.8% this year, compared to just 31.9% last year. Bulk gasoline sales became primary for 41.8% of our dealers this year, compared to just 29.8% in 1985.

Table 4 examines the percent of total volume represented by various petroleum products. No. 2 oil still leads the pack, although its percent of total volume has shrunk from 58.8% last year to just 46% in 1986. Correspondingly, gasoline has risen from 23.1% of the total volume last year to 32.2%, with virtually every region showing healthy increases in this category. Home heating oil still represents the majority of product in New England and the Mid-Atlantic. Dealers in the South say that gasoline accounts for 51.2% of their volume. None of the other products showed any significant variation from the previous survey, and in fact have not changed much since we began the study in 1978.

Customers & Volume

There's been a significant increases in the average number of customers served and the annual volume of our mythical average dealer. These changes are hard to analyze, but it seems that every year this is one area which defies statistical deviation. In 1985, the average number of residential fuel oil accounts stood at 1,262. This year, that's jumped to 1,416. The average number of commercial/industrial customers has also gone up—from 131 last year to 225 in 1986.

The most sensible answer to the reason for the increase is that there is a variation in sample from year to year. Because we use random mailing, there is no clear-cut way to control the size of the dealers surveyed. Therefore, there is a possibility of "stacking the averages" by having returns from particularly large dealers. Of course, there is a consolidation movement within the industry so that the average dealer is growing in size, if only because he is buying up smaller companies. I wish we could report that the increases was due to new home business or conversions from other fuels, but there are no other statistics which support this, so the only answer is acquisition & sample deviation.

In any event, some of the regional responses differ even more significantly than does the national average. New England, for example, saw an increase in the average number of residential fuel oil accounts from 1,385 last year to 2,364—nearly 1,000 more per dealer. On the other shoe, Western dealers lost 1,000 customers—from an average of 2,316 in 1985 to 1,303 this year.

The average volume of residual and gasoline did not vary markedly on a national basis, but distillate volume shot up from an average of 1.6 million in 1985 to better than 2.2 million this year. Weather was not much of a factor, since both winters had approximately the same number of degree-days, at least in the Eastern half of the country. Despite this, New England dealers increased their volume from 1.5 million in 1985 to 2.4 million in our latest calculation. Mid-Atlantic dealers bettered their average by more than one million gallons, from 2.1 million in 1985 to 3.2 million this year. In the South, dealers went from .9 million to in excess of 2.6 million—that's a threefold increase. Only the Midwest and West figures were lower than last year. The Midwest was down about 200,000 gallons and Western dealers were off about 300,000 gals.

TABLE 5
Average Size of Business

	No. Residential Fuel Oil Accts	No. C/I Customers	Vol. Distillate	Vol. Residual	Vol. Gasoline	No. Employees
New England	2364	290	2,487,143 gal.	2,704,000 gal.	2,006,000 gal.	16.5
Mid-Atlantic	1837	273	3,248,319	1,123,889	3,390,842	18.7
South	1270	101	2,633,333	I.D.	3,818,333	10.3
Midwest	305	100	1,097,790	1,315,000	2,049,769	10.0
West	1303	360	1,832,441	89,400	2,751,269	11.0
All Sections	*1416*	*225*	*2,263,805 gal.*	*1,308,072 gal.*	*2,203,243 gal.*	*13.3*

I.D.—Insufficient Data

TABLE 6
Annual Heating Oil Sales by Types of Customers
(Percent of Total Customers Served)

	Private Homes	Apts.	Educ.	Hospitals	Com-merical	Industrial
New England	81.1%	5.4%	1.7%	0.4%	8.9%	7.5%
Mid-Atlantic	77.7	6.0	2.2	0.6	10.7	3.9
South	84.8	1.3	1.3	0.3	10.0	2.5
Midwest	68.1	4.6	2.1	1.4	12.9	23.8
West	76.5	3.0	0.8	1.0	12.4	4.7
All Sections	*77.6%*	*4.1%*	*1.6%*	*0.7%*	*11.0%*	*8.5%*

*Less than .1%

As mentioned, residual and gasoline volumes didn't differ nationally much. In 1985, the average dealer who marketed resid did about 1.2 million gallons. This year, that figure is 1.3 million. Again, the regional differences were significant, with New England showing a one-million-plus increase, and two other regions recording declines, of about one million gals. in the mid-Atlantic and 250,000 in the West. We didn't get enough responses from the Southern dealers to get a reliable regional figure in this category. Gasoline volume was about 200,000 gals. on average greater than 1985, again with some significant differences regionally. Every region was up from 1985, by as much as one million gals. or more.

To add credence to the increase in volume and number of customers, the average number of employees has also gone up since last year, when it was pegged at 11.3. This year, the average dealer has 13.3 employees.

Residential Customers Dominate

Table 6 is certainly no surprise, and hasn't changed much since we first began asking this question in 1978. Private homes represent the overwhelming majority of customers served by our respondents. The percentage has dropped about three points since last year, but this again can be traced to sample variation. Commercial establishments maintain their second place position, although for the first time this figure has topped 10%, respresenting 11% of dealer customers this year. In 1985, just 8.6% was recorded. Dealers are also serving more industrial accounts, with this 8.5% figure almost double the 4.3% posted last year. The Midwest showed the best improvement in this area, going from just 6.4% of all customers in 1985 to more than 23% this year. Private homes dropped from 74.2% to 68.1% in the Midwest for the same comparison period. Multi-family dwellings and institutions varied less than one percentage point nationally from our last survey.

Gross & Net

A number of dealers saw significant improvement in dollar revenues and pre-tax earnings when comparing Tables 7 & 8 results this year against 1985. For example, last year almost 40% of the dealers responding said gross was under $1 million, and just 8.3% said gross was between $10 and $25 million. This year, fewer than 30% (29.5%) grossed less than $1 million, while 13.4% took in between $10 and $25 million. There was also a 2% gain in the number in the $5-10 million category. The big guys—$25 million and above—still represent just 2% of all dealers responding, as they did in 1985. Pre-tax earnings saw the same shift to the right. Fewer dealers are in the less-than-$50,000 category (30.5% this year vs. 44.5% last year) and more are in the $100,000-200,000 (25.4% vs. 19.2%) and $200,000-500,000 (8.7% vs. 5.6%) categories.

Electronic Data Processing

Fuel oil dealers have really matured when it comes to computers. Actually, many EDP suppliers feel that the market is saturated, which is why there has been a dramatic reduction in the number of companies courting the industry over the past five years or so. Back in 1978 when we first started surveying our dealers, every other booth at the industry shows was a computer company. This past year, there were a few, but nowhere near what it had been when computers were first introduced to petroleum marketers.

In any event, just about two-thirds of our dealers surveyed (66.0%) said they use computers in their operation. This is a jump from just short of one-half of the sample in 1985, again probably a sample variation. New England dealers lead the pack, with more than three-quarters of our panel using EDP. The low, if you want to call it that, is in the West, with 59% using computers.

Table 10 shows what operations are computerized, with Accounts Receivable/Billing being the most popular. General Ledger and Accounts Payable are a distant second and third, respectively, followed by Payroll and Inventory Reconcilliation. The table is arranged in the order each task scored.

Trucks, Trucks, Trucks

The lifeblood of the petroleum marketer is the truck fleet, the means by which product and customer come together. With the price of a fully-outfitted delivery truck more than $50,000, fleets easily represent a marketer's largest investment. Trucks can also be a dealer's joy or biggest headache, depending on whether or not they're in-service. And lest we forget, trucks are not only the means by which oil heat merchants deliver their commodity, but they are also travelling billboards for the marketer and the oil heat industry. They're probably the most recognized symbol for the fuel oil busi-

TABLE 7
Total Annual Company Dollar Revenues
(Percent of marketers in each category)

	Less Than $1 Million	$1-5 Mil.	$5-10 Mil.	$10-25 Mil.	$25-50 Mil.
New England	31.0%	51.7%	6.9	6.9	3.4
Mid-Atlantic	25.8	35.5	19.4	16.1	0.3
South	40.0	20.0	20.0	20.0	*
Midwest	27.3	45.5	6.1	12.2	6.1
West	23.5	50.0	14.7	11.8	*
All Sectors	*29.5%*	*40.5%*	*13.4%*	*13.4%*	*2.0%*

*Less than .1%

TABLE 8
Pre-Tax Earnings
(Percent of marketers in each category)

	Less Than $50,000	$50-100,000	$100-$200,000	$200-500,000	$500,000 +
New England	39.1%	21.7%	8.7%	0.1%	*
Mid-Atlantic	28.6	35.7	14.3	14.3	7.1
South	*	20.0	60.0	20.0	*
Midwest	54.5	20.0	20.0	2.9	*
West	39.4	24.2	24.2	6.1	6.1
All Sectors	*30.5%*	*24.3%*	*25.4%*	*8.7%*	*2.6%*

*Less than .1%

TABLE 9
EDP Usage

	Use EDP
New England	75.9%
Mid-Atlantic	65.6
South	66.7
Midwest	62.9
West	59.0
All Sectors	*66.0%*

TABLE 10
Computer Applications
(Percent of marketers using EDP for listed applications)

	New England	Mid-Atlantic	South	Midwest	West	*All Sections*
Accounts receivable/billing	100%	90.5%	50.0%	95.5%	91.3%	*85.5%*
General ledger	63.6	57.1	50.0	72.7	73.9	*63.4*
Accounts payable	50.0	38.1	75.0	72.7	73.9	*61.9*
Payroll	27.3	38.1	50.0	63.6	47.8	*45.4*
Inventory reconciliation	54.5	33.3	25.0	59.1	47.8	*43.9*
Scheduling of deliveries	59.1	47.6	*	9.1	30.4	*29.2*
Excise tax reporting	13.6	23.8	25.0	27.3	52.2	*28.4*
Fixed asset management	22.7	23.8	*	36.4	56.5	*27.9*
Word processing	40.9	33.3	*	18.2	26.1	*23.7*
Tracking supplier costs	4.5	19.0	25.0	22.7	8.7	*16.0*
Pricing analysis	9.1	9.5	*	22.7	13.0	*10.9*
Oil price info. service/petro scan	4.5	14.5	*	4.5	8.7	*6.4*
Communications with stations	*	4.8	*	9.1	4.3	*3.6*

*Less than .1%

ness. Tables 11 and 12 examine this aspect of the oil heat marketing operation.

How many trucks does the average dealer operate? Well, according to our 1986 statistics, that figure is 4.8 delivery vehicles and 1.4 tractor-trailers. Both of these figures are up from last year, when the average was 3.7 delivery trucks and 0.6 tank wagons.

This increase in the average was helped in great part by the jump in the Mid-Atlantic, which averaged just 3.9 trucks-per-dealer last year but is up to 7.5 in 1986. New England dealers added one truck to their fleet and Southern dealers put another 1.6 trucks in service. The Midwest remained constant, and the West lost one truck-per-dealer. The trailer category saw similar changes as well.

Truck tank sizes have changed somewhat on the "largest" side, but are almost identical on the "smallest" side. Last year, dealers reported that the average size of the largest delivery vehicle in their fleet was 2,484 gals. This year, the figure is 2,880 gals., about a 400 gal. increase. On the other end of the scale, the smallest truck in the fleet averaged 1,877 gals. in 1985, compared to an almost identical 1,844 gals. this year.

By the same token, dealer opinion as to the optimum size of a truck for their operation hasn't changed much from last year, when the national average was 2,494 gals. This year, that figure is 2,538 gals.

Obviously nobody has a 2,538 gal. truck, or a 2,880 gal. or 1,844 gal. model either. These are just averages, computed from among hundreds of 2,800's and 1,800's, etc. Also, it's a little absurd to publish a national average for an opti-

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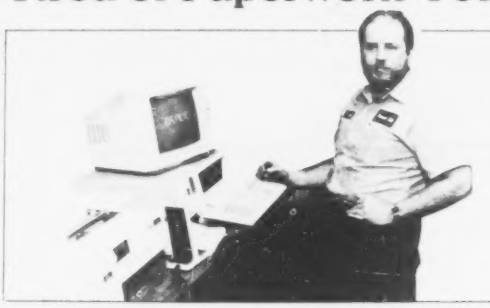

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TABLE 11
Trucks Per Marketer

	Average No. Del. Trucks	Average No. Trailers	Average Size Largest	Average Size Smallest	Optimum Size Preferred
New England	4.7	1.9	3185	1996	2956
Mid-Atlantic	7.5	2.5	2964	2200	2704
South	4.7	1.5	2810	1475	2075
Midwest	2.9	0.7	2841	1755	2253
West	4.1	0.5	2603	1792	2700
All Sections	*4.8*	*1.4*	*2880*	*1844*	*2538*

Engines By Type

	Use			Prefer	
	Diesel	Gas	Both	Diesel	Gas
New England	29.6%	11.1%	59.3%	74.1%	11.1%
Mid-Atlantic	28.1	18.8	53.1	71.9	12.5
South	·	·	100	66.7	16.7
Midwest	5.9	58.8	35.3	38.2	50.0
West	10.3	35.9	53.8	46.2	25.6
All Sections	*14.8%*	*24.9%*	*60.3%*	*59.4%*	*23.2%*

Truck Tanks By Type

	Use			Prefer	
	Steel	Alum.	Both	Steel	Alum.
New England	40.7%	11.1%	44.4%	18.5%	59.3%
Mid-Atlantic	27.6	10.3	55.2	10.3	56.3
South	33.3	·	66.7	·	83.3
Midwest	76.5	11.8	9.8	47.1	35.3
West	25.6	5.1	61.5	20.5	59.0
All Sections	*40.7%*	*7.7%*	*47.3%*	*19.3%*	*58.6%*

·Less than .1%

TABLE 12
Average Age Of Trucks

	Year Oldest	Year Newest
New England	1973.2	1982.7
Mid-Atlantic	1971.0	1976.1
South	1973.5	1982.7
Midwest	1973.4	1980.6
West	1970.4	1980.7
All Sections	*1972.3*	*1980.6*

Percent Buying This Year

	New Truck	New Tank Only
New England	44.8%	13.8%
Mid-Atlantic	37.5	31.3
South	66.7	50.0
Midwest	28.6	14.3
West	23.1	10.3
All Sections	*40.1%*	*23.9%*

·Less than .1%

mum-sized truck, since that figure will vary tremendously from region to region, and even within each region. Since no two fuel oil businesses are alike, what may be optimum for one dealer may be too big or too small for somebody else just down the road. Also, city vs. suburban vs. rural are greatly influential in such a determination, as are terrain, local regulations, etc. The regional variations are proof of this, since the "average" Southern dealer feels the optimum size is slightly more than 2,000 gals. whereas the "average" New England dealer prefers something approaching 3,000 gals.

The truck's power is also a subject of debate among the regions, although the differences seem to be lessening somewhat. The majority of dealers operate both diesel and gasoline engines. A number of them said that this was because of acquisitions. Others said it was a transitional phenomenon—they're slowly changing to all-diesel as existing units are replaced. However, there are more all-gasoline fleets currently in operation nationally. Some 24.9% of dealer fleets are all-gasoline, compared with just 14.8% which are all-diesel. The all-gasoline is actually up more than double since 1985, when just 11.8% of the dealers responding said they operated all-gasoline fleets. Since gasoline is currently cheaper than diesel, this isn't surprising.

It's interesting that *all* Southern dealers operate combination fleets. Despite this, two-thirds of the Southern dealers said they prefer diesels. Just half of the Midwestern dealers prefer gasoline engines, and 58.8% of them operate gasoline-only fleets. In the New England, 74.1% prefer diesels, and 29.6% of them have diesel-only fleets. The overall preference nationally is 59.4% diesel, 23.2% gasoline, the rest undecided.

This trend to fence-straddling also carried over to the type of tank material, with a significant increase in the percentage of dealers using *both* aluminum and steel tanks. Last year, about 35% said they operated both. This year, that's grown to 47.3%. The number of steel-only fleets has dropped from 58.1% to 40.7%.

There is an indication that preferences are changing, however. The percentage of dealers who prefer aluminum tanks has jumped from 40.9% last year to 58.6% this year, and those preferring steel has dropped from 30.5% in 1985 to 19.3% in '86. Aluminum is lighter but costs more. With dealer margins up and volumes better than last year, perhaps dealers are becoming less concerned about cost differences and eager to take advantage of weight savings in order to carry more product. This may be particularly true in the South, where almost no one said they preferred steel tanks and 83.3% favor aluminum.

Older trucks are getting newer but newer trucks are getting older, according to our findings as shown in Table 12. Last year the average age of the *oldest* truck in dealer fleets was a 1970.8. This year, the figure is 1972.3. Subtracting one year for the time between surveys, that works out to about a one-half year age decrease. On the other hand, the average age of the newest truck last year was 1980.2. In 1986, dealers said the average age of their newest unit was 1980.6. Deducting the same one-year, that comes out to a one-half year *increase* in the average age.

Another way to look at it is to examine the average between the oldest and newest. Last year, the average between the two was 1975.5. This year, that figure is 1976.45. Deducting the one-year time

span between surveys and you see that there is actually a backslide of .05 years in the average age of marketer fleets.

Most truck experts agree that the effective life expectancy of a truck is 10 years, and in the fuel oil business, often the mileage on the odometer is not as important as the number of engine-hours because of the time spent pumping product. So with the average age of truck fleets now at 10 years, dealers should be considering upgrades.

And according to our survey results, many of them are. When asked if they plan on purchasing a new delivery truck within the next 12 months, more than 40% said yes, they did plan on buying at least one new vehicle. Another 23.9% said they planned on replacing a tank. Evidently Southern dealers will be the most active truck buyers in the coming months, since fully two-thirds of those questioned said they were planning truck purchases. New England dealers were second in this category, with 44.8% saying they intended to buy a new truck. Southern dealers also led the pack in tank replacement plans. All of these figures are up from last year, when 32.4% of dealers nationally said they were planning to buy a truck and 10.8% would put a new tank on an existing truck.

TABLE 13
Average Drop in Gallons

	275 Gal. Tanks
New England	168.9
Mid-Atlantic	171.0
South	175.3
Midwest	186.0
West	179.4
All Sections	*176.1*

	550 Gal. Tanks
New England	369.0
Mid-Atlantic	354.3
South	333.4
Midwest	399.6
West	387.5
All Sections	*368.8*

Delivery Performance

The average drop to customer tanks hasn't changed much since we first began asking this question in 1978. Despite sophisticated computer degree-day accounting, route scheduling and other modern developments, dealers still manage to average just 176 gals. to a 275 gal. tank and 368 gals. to a 550. The regional averages are shown in Table 13.

TABLE 14
Percent Using Two-Way Radios

New England	72.4%
Mid-Atlantic	68.8
South	66.7
Midwest	60.0
West	53.8
All Sections	*64.3%*

In Table 14 we see that a growing number of marketers are using two-way radios on their trucks. Last year, 59.1% said they used two-way radios, but this year that figure has inched up five points, to 64.3%. The greatest use of two-way radios is in New England, where almost three-quarters (72.4%) of the dealers responding indicated they use them. Western dealers use them least, but still a majority—53.8%—have two-way radios.

TABLE 15
Percent of dealers trading on the futures market

New England	20.7%
Mid-Atlantic	12.5
South	*
Midwest	8.6
West	5.0
All Sections	*9.4%*

*Less than .1%

Futures trading has also grown. Trading of heating oil futures began on the

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New York Mercantile Exchange just about the same time we were compiling our first survey—in November 1978. Since that time, futures trading has grown tremendously, and in fact now controls product pricing. Many industry experts feel that this trend will continue, and that the future of heating oil pricing is irretrievable in the hands of speculators.

Be that as it may, almost 10% of all dealers polled said they trade heating oil futures. This is nearly double the 5.5% who so indicated last year. Significant changes occurred in almost all the regions, with the exception of the Mid-Atlantic, which had always been one of the first regions to accept this supply option. In New England, the percent of dealers using futures jumped from 5.6% last year to more than 20% (20.7%) this year. Midwestern dealers went from 1% to more than 8% and Western dealers who use futures went from less than .1% to a full 5%. Only the South saw a decline, and the 5% who evidently traded last year either got out of the market or weren't part of this year's survey, since virtually no one in the South said they were trading oil futures.

TABLE 16
Percent of Dealers Operating Bulkplants

	Percent with Bulk-plants	Percent with Bulk-plants storing other products
New England	72.4%	57.1%
Mid-Atlantic	62.5	95.0
South	100	83.3
Midwest	97.1	100
West	87.2	97.1
All Sections	*83.8%*	*86.5%*

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Bulkplants

As mentioned at the beginning of this report, we added some new questions on bulkplant facilities this year, which are shown in Tables 16 and 16a. A vast majority (83.8%) of the dealers quizzed said they had fuel oil storage in-house, and 86.5% of those with fuel oil storage also stored other petroleum products.

Everybody polled in the South had a bulkplant, making that region number one in this category. The Midwest was a close second, and number one in the percentage that stored other products. Mid-Atlantic dealers had the fewest bulkplants, with just 62.5% having in-house storage capability.

How much product is stored by marketers? According to the figures submitted, the average dealer with in-house bulkplant stores 226,865 gals. of No. 2 oil, 16,455 gals. of heavy oil, 96,346 gals. of diesel, 42,717 gals. of gasoline, 35,276 gals. of Lpg and 17,665 gals. of kerosene. That is, assuming this average dealer did in fact store these products. In other words, the figures represent averages of *those dealers who store such products.*

The average storage capacity for heating oil varied significantly between the regions, with a high of more than 350,000 gals. in New England to a low of less than 50,000 gals. in the South. The figures stand up well when compared to the percentage of total volume for the various products shown back in Table 4.

The surprising figure here is the amount of Lpg stored by dealers. Although just a small percentage of dealers said they market this product, those who do evidently have quite a volume in it judging from the storage capacity. However, we aren't that well versed in the distribution network for Lpg, so there might be a need for such large storage because of the lack of wholesale outlets, etc.

TABLE 16s
Average Storage Capacity

	No. 2	Heavy Oil	Diesel	Gasoline	Cpg	Kerosene
New England	351,315 gals.	15,000 gals.	30,000 gals.	47,833 gals.	30,000 gals.	11,167 gals.
Mid Atlantic	318,941	I.D.	198,181	41,000	100,250	14,142
South	47,833	I.D.	20,000	92,600	I.D.	21,333
Midwest	364,375	21,666	188,125	21,350	42,130	40,428
West	51,862	12,700	45,428	10,804	4,000	1,254
All Sections	*226,865 gals.*	*16,455 gals.*	*96,346 gals.*	*42,717 gals.*	*35,276 gals.*	*17,665 gals.*

I.D.-Insufficient Data

TABLE 17
Percent of Dealers Using Additives

	Percent Using Additives	Blended At Bulkplant	Blended on Trucks	Blended in Customer Tanks
New England	23.8%	20.0%	40.0%	40.0%
Mid-Atlantic	37.5	16.7	33.3	50.0
South	50.0	33.3	33.3	33.3
Midwest	52.9	16.7	66.7	16.7
West	29.4	40.0	20.0	40.0
All Sections	*38.7%*	*25.3%*	*38.7%*	*36.0%*

Additives

With all the talk about poor fuel quality these days, we wanted to find out just what percentage of dealers were treating their fuel with additives in order to improve combustion performance and flow characteristics. The figures, shown in Table 17, indicate that 38.7% of fuel oil marketers nationwide use additives. The highest usage is in the Midwest and South, and the lowest is in New England.

Blending of the additive is done either at the bulkplant, on the trucks or right into customer tanks, and according to our respondents, this is almost evenly distributed, with a slight edge going to trucks, followed by customer tanks. Midwestern dealers clearly prefer mixing additives on the trucks, with 66.7% so stating. Half of the Mid-Atlantic dealers prefer to dump chemicals right into customer tanks.

Equipment Sales

Unlike motor fuel marketers, oil heating dealers are much more involved in the sale and service of the "machines that eat" their product. This side of the fuel oil business has been integral to most fuel oil marketing operations for many years, although its importance varies from region to region.

Actually the percentage of dealers that sell, install and/or service heating/cooling equipment, as shown in Table 18, has diminished somewhat from last year, the first time in memory this has occurred in our surveys. In 1985, 54.3% of the deal-

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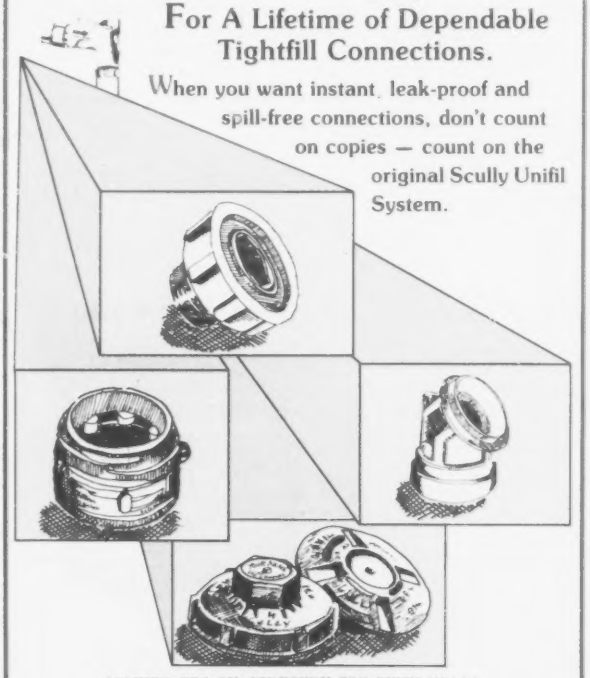

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TABLE 19
Sources of Business Income
(Percent of Dealers Reporting)
HEATING EQUIPMENT

	Retail	Wholesale
New England	75.8%	17.2%
Mid-Atlantic	59.4	6.3
South	16.7	16.7
Midwest	8.6	2.9
West	63.2	*
All Sections	*44.7%*	*8.6%*

	A/C	Other
New England	13.8%	6.9%
Mid-Atlantic	21.9	9.4
South	16.7	*
Midwest	2.9	14.3
West	35.0	7.5
All Sections	*18.1%*	*7.6%*

*Less than .1%

TABLE 20
Trends of Equipment Sales
Past 12 Months
(Percent of Dealers Reporting)

	Residential Up
New England	63.6%
Mid-Atlantic	64.7
South	I.D.
Midwest	33.3
West	53.3
All Sections	*53.7%*

	Commercial Up
New England	31.8%
Mid-Atlantic	29.4
South	I.D.
Midwest	I.D.
West	6.7
All Sections	*22.6%*

I.D.—Insufficient Data

TABLE 18
Percent of Fuel Oil Dealers That Sell, Install and/or Service All Types of Heating/Cooling Equipment

New England	75.9%
Mid-Atlantic	62.5
South	16.7
Midwest	11.4
West	35.0
All Sections	*40.3%*

ers surveyed said they handled equipment, but this year, only 40.3% say they do.

Regionally, the traditional leaders remain New England, with 75.9% (an increase from 75.0% last year) and Mid-Atlantic, with 62.5% (down from 71.4% last year). The Midwest, the traditional trailer in this area, remains last this year, with only 11.4% of the dealers polled stipulating that they sell, install and/or service heating equipment. The West, which had a significant positive response to this question in 1985 (63.2%) dropped to just 35% this year, which contributed greatly to the overall reduction of the national average.

Table 19 delves into this area further, showing results of our inquiry regarding sources of business income. Nationally, 44.7% of our panel said that retail heating equipment sales was a source—either primary or secondary—of income for them. Another 8.6% said that wholesale equipment sales contributed to the company's business. Air conditioning is a source of income to 18.1% of our dealers, and "other," operations, such as lawn care, swimming pool service, C-stores, etc., made contributions to 7.6% of the companies surveyed.

More than half of those selling residential equipment did better in 1986 than in 1985, as shown in Table 20. Last year, 47.5% said business was better than 1984. On the commercial side, 22.6% had better business this year than last, slightly below the 26.3% who said 1985 was better than 1984. Statistics from the South and Midwest were insufficient to make regional averages.

Type of Systems

Tables 21, 22 and 23 provide an indication of the specific types of equipment handled by our respondents. Oil burners are sold, installed and/or serviced by all of the dealers who said they handle equipment. In past years we used a different method of averaging, so any comparison here would be meaningless. The number two product handled is residen-

TABLE 21
Percent of Fuel Oil Dealers That Sell, Install and Service Selected Heating/Cooling Equipment

Residential

	Oil Burners	Gas Burners	Domestic Hot Water	Boilers	Hydronic Systems
New England	100%	9.1%	90.9%	81.8%	59.1%
Mid-Atlantic	100	41.2	76.5	58.8	29.4
South	I.D.	I.D.	I.D.	I.D.	I.D.
Midwest	100	I.D.	66.7	I.D.	I.D.
West	100	93.3	60.0	73.3	33.3
All Sections	*100%*	*47.9%*	*73.5%*	*71.3%*	*40.6%*

Commercial/Industrial

	Oil Burners	Gas Burners	Domestic Hot Water	Boilers	Hydronic Systems
New England	63.6%	9.1%	54.5%	54.5%	36.4%
Mid-Atlantic	58.8	5.9	29.4	35.3	17.6
South	I.D.	I.D.	I.D.	I.D.	I.D.
Midwest	I.D.	I.D.	I.D.	I.D.	I.D.
West	73.3	33.3	46.7	33.3	26.7
All Sections	*65.2%*	*16.1%*	*43.5%*	*41.0%*	*26.9%*

*Less than .1%
I.D.—Insufficient Data

TABLE 22
Percent of Fuel Oil Dealers That Sell, Install and Service Selected Heating/Cooling Equipment

Residential

	Unitary A/C	Electric Resistance	Insulation	Solar
New England	9.1%	4.5%	*	9.1%
Mid-Atlantic	23.5	*	*	11.8
South	I.D.	I.D.	I.D.	I.D.
Midwest	I.D.	I.D.	I.D.	I.D.
West	13.3	20.0	6.7	*
All Sections	*15.3%*	*8.2%*	*2.2%*	*7.0%*

Commercial

	Unitary A/C	Electric Resistance	Insulation	Solar	Refrigeration
New England	13.6%	*	*	9.1%	*
Mid-Atlantic	5.9	*	*	5.9	*
South	I.D.	I.D.	I.D.	I.D.	I.D.
Midwest	I.D.	I.D.	I.D.	I.D.	I.D.
West	20.0	*	13.3	6.7	6.7
All Sections	*13.2%*	*	*4.4%*	*7.2%*	*2.2%*

*Less than .1%
I.D.—Insufficient Data

tial furnaces, with a national average of 84.5% of the dealers polled indicating that they handle them. Number three is domestic hot water systems, at 73.5%, followed closely by boilers with 71.3%.

It's said that the East is dominated by hydronics and the rest of the country is predominately warm air. The regional figures don't necessarily support this argument, because 95.5% of the New England and 82.4% of the Mid-Atlantic dealers said they handle furnaces, as opposed to just 81.8% New England and 58.8% Mid-Atlantic dealers who say they handle boilers.

Unfortunately there are some gaps in the regional statistics for types of equipment handled, since much of the data received from Southern and Midwestern dealers was insufficient to develop meaningful statistics.

Although fewer dealers handle commercial equipment, more than 65% gave the nod to commercial oil burners, and a majority also handle furnaces for commercial applications. Just 43.5% sell commercial domestic hot water systems, and 41% sell commercial boilers. Again, on a regional basis, more New England and Mid-Atlantic dealers handle commercial furnaces than commercial boilers, putting another nail in that myth's coffin.

Surprisingly, solar heating equipment, which has been thought to be a dead issue, is still handled by some 7.0% of the panel.

Another surprise is that 47.9% of the dealers responding said they install and/or service gas burners. This is a huge jump from the 12.9% of last year, but as mentioned, we changed the parameters

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TABLE 23
Percent of Fuel Oil Dealers That Sell, Install and Service Selected Heating/Cooling Equipment

Residential

	Furnaces	Warm Air Systems	Central A/C	Heat Pump	*Continuous Air Circulation*
New England	95.5%	81.8%	18.2%	9.1%	
Mid-Atlantic	82.4	76.5	41.2	11.8	5.9
South	I.D.	I.D.	I.D.	I.D.	I.D.
Midwest	66.7	I.D.	I.D.	I.D.	5.8
West	93.3	60.0	40.0	33.3	13.3
All Sections	*84.5%*	*72.8%*	*33.1%*	*18.1%*	*6.3%*

Commercial

	Furnaces	*Warm Air Systems*	Central A/C	Heat Pump
New England	59.1%	40.9%	9.1%	4.5%
Mid-Atlantic	35.3	29.4	35.3	5.9
South	I.D.	I.D.	I.D.	I.D.
Midwest	66.7	I.D.	I.D.	33.3
West	66.7	46.7	26.7	20.0
All Sections	*57.0%*	*39.0%*	*23.7%*	*15.9%*

'Less than .1%
I.D.—Insufficient Data

used for averaging this year, so that the 47.9% figure represents only those dealers who sell/install/service equipment, not the entire sample as reported on previous surveys.

The computations for Table 24 haven't changed, and show considerable improvement over a year ago. The average dealer sold nearly 80 residential oil burners this year, compared to only 27.8 last year. That same fictitious average dealer sold 35.7 boilers and 28.5 furnaces, as well as 6.3 commercial oil burners, 12.2 comercial boilers and 4.7 commercial furnaces. Again, there are some regional gaps because of lack of data from the South and Midwest, but the other regions all showed marked improvement in all these categories.

The Service Department

Is service an asset or liability? According to our survey results, more dealers feel that it is a liability and are farming it out to others. Nationally, just 39.2% of the dealers reporting said they have their own service departments. This is down from 54.1% posted last year. Every region showed a decrease this year, including the normally strong New England and Mid-Atlantic sections.

Those companies who remain committed to service are evidently doing a lot more of it, our survey reveals. Service departments made an average of 2,101 calls this past year, compared to only 1,053 last year. Only the Midwest, which was never very high on equipment service to begin with, saw a reduction in the number of service calls. Last year, the 38.8% of dealers with service departments made an average of 561 calls. This year, the 11.1% still in service now only

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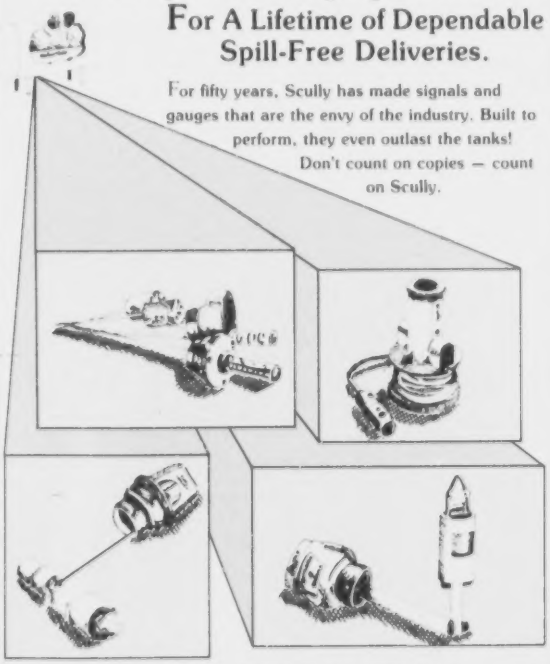

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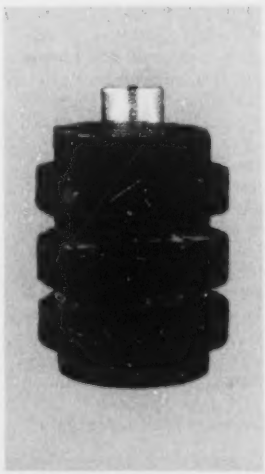

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IN CANADA: Canadian General Filters, Ltd.

Circle No. 36 on Card

TABLE 24
Average Number of Units Installed in Past 12 Months

	Residential			Commercial		
	Burners	Boilers	Furnaces	Burners	Boilers	Furnaces
New England	81.6	65.4	20.6	9.1	7.6	7.3
Mid-Atlantic	84.2	17.1	15.0	3.7	2.5	4.0
South	I.D.	I.D.	I.D.	I.D.	I.D.	I.D.
Midwest	I.D.	I.D.	I.D.	I.D.	I.D.	I.D.
West	73.3	24.6	49.8	6.0	26.5	2.7
All Sections	*79.7*	*35.7*	*28.5*	*6.3*	*12.2*	*4.7*

I.D.—Insufficient Data

Table 25
The Service Department

	Have Service Depts.	Average No. Calls per Year	Value of Parts/Inventory	Service Dept. Profitable	No. of Technicians	No. of Service Vans
New England	72.4%	2454	$28,333	61.9%	4.9	4.8
Mid-Atlantic	53.1	2208	23,111	35.3	5.4	6.5
South	16.7	600	3,000	100	1.0	1.0
Midwest	11.1	134	I.D.	33.3	1.4	1.0
West	42.5	5111	20,375	52.9	3.9	3.6
All Sections	*39.2%*	*2101*	*$18,704*	*56.7%*	*3.3*	*3.4*

I.D.—Insufficient Data

make an average of 134 calls.

The value of parts inventory has not changed. Last year, the average service department carried $18,852 in equipment parts. This year, it's $18,704. Just about the same percentage are profitable too, with last year's 56.0% figure up just .7%. There have been gains in the number of technicians and service vans on average. Last year, service departments employed an average of 2.6 technicians and used 2.5 vans. This year, it's 3.3 technicians and 3.4 trucks. The largest regional gains for both technicians and vans are in the Mid-Atlantic, which saw a 2% gain in both.

Bock
U.S.A.

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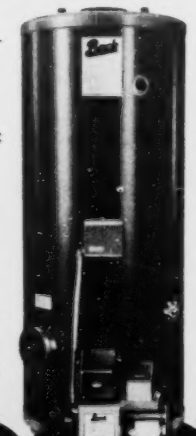
BECAUSE QUALITY IS STANDARD

The 32E is the time-proven standard of the Bock line, delivering incomparable thermal efficiencies and realistic economy of operation. The 32E is also the standard of quality by which all competitive oil-powered residential water heaters are compared. With improved Turboflue, the standards are raised to a point where cheaper, less efficient units cost more than ever to operate on a long-term basis. The 32E features single center Turboflue construction for sturdier, easier to care for units; Bock-process glass linings; and many exclusive Bock quality innovations engineered for lasting peak performance — day-after-day, year-after-year. Make an investment in quality. Specify Bock.



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WITH IMPROVED TURBOFLUE

Bock Water Heaters, Inc. MADISON, WI 53708-8632

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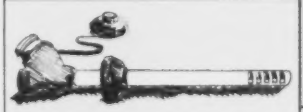

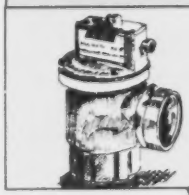

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This new 16-page booklet covers the many aspects of degree-day forecasting, including comprehensive definition of degree days, k-factors, and deviations. Explains how to project summer hot water deliveries, equipment available to assist in determining degree days, etc. Includes a series of mini-quizes to aid in educational environments.

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Hunter Publishing Co.

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Des Plaines, IL 60016

Table 27
Percent of dealers indicating gas conversions are a major threat to their business and what they're doing about it

	% Saying Gas is A Major Threat	% Taking Steps To Combat Gas	% Making Conversions To Gas
New England	23.8%	47.6%	19.0%
Mid-Atlantic	35.3	58.8	23.5
South	I.D.	I.D.	I.D.
Midwest	71.4	14.3	71.4
West	64.7	89.5	33.3
All Sections	*48.8%*	*52.6%*	*36.8%*

*Less than .1%
I.D.—Insufficient Data

Facing the Competition

Gas heat is still making significant inroads into oil heat's marketshare, although the figures are nowhere near what they were in the early 1980's. Table 26 shows that some 73.5% of our panel lost customers to gas heat this past year. That's up from 67.6% last year. The average number of customers lost is also up this year, pegged at 23.4 compared with just 17.6 customers in 1985. Once again, we didn't have enough data from the South to make a fair analysis, but the New England and Midwest regional figures grew this year in both areas, while fewer Mid-Atlantic dealers lost customer to gas (although the average number of customers lost was greater), and fewer Western dealers reported loses in either area.

It's a bit incongrous, but fewer dealers consider gas as a major threat to their business than are losing customers to the competition. Just 48.8% of the dealers responding feel gas is a threat. And just 52.6% are taking steps to combat gas marketing efforts. That's also well below the percentage of dealers losing customers to gas heat. Finally, a greater number are making gas conversions than ever before. When we first asked this question about five years ago, only a handful actually made conversions to gas heat. Today, that figure is up to 36.8%. I don't want to even think about the implication of that statistic.

Equipment Considerations

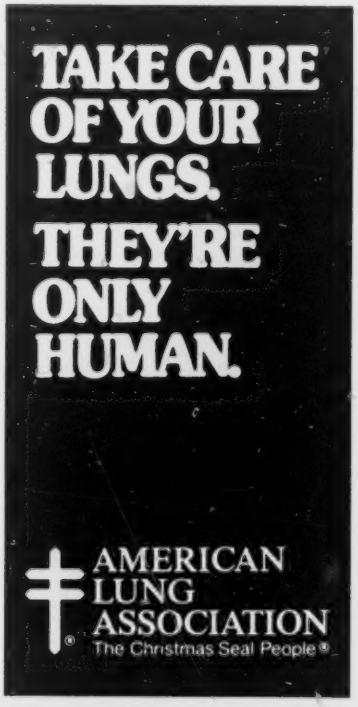
Under what circumstances will oil heating dealers recommend furnace/boiler replacement? Table 28 shows the reasons cited by our panel, in the order of preference. Boiler leaks maintains the lead it has held for several years. An old, inefficient system has jumped up to number two, from number four last year,

TABLE 26
Percent of Dealers Losing Customers to Gas Heat

	Percent Losing Customers	Average No. Customers Lost
New England	52.4%	9.6
Mid-Atlantic	58.8	59.8
South	I.D.	I.D.
Midwest	100	10.0
West	82.6	14.0
All Sections	*73.5%*	*23.4*

I.D.—Insufficient Data

indicating that more dealers are confident enough in the loyalty of their cus-



tomers to suggest replacement for systems that are working o.k. but need upgrading. The other categories are all more or less the same as last year, but again, the South and Midwest didn't provide enough data for statistical computation.

More dealers are making brand recommendations, and more customers are following these recommendations, judging from a comparison of Table 29 with last year. In 1985, 51.8% of our panel said they recommended brands, and 79.9% of those recommendations were followed. This year, the figures are 63.6% and 83.5%, respectively.

The factors which influence dealer brand selection (and subsequent recommendation) are shown in Table 30. There are no significant changes in the order of importance, except that quietness has dropped from fifth last year to ninth this year. Ease of service dropped down to fourth, from third, while low incidence of service requirements, inched up to third, from fourth. Evidently, dealers feel that even though a unit might be easy to service, it's a lot better if it doesn't need it as often. This goes back to the reduced number of companies with service departments discussed earlier. Sorry, but figures for the South and Midwest were insufficient to compute.

Gasoline Operations

With a great number of oil heat dealers now combination heating/motor fuel marketers, Tables 31, 32 and, to a lesser degree, 33 show some interesting movement. On a national basis, the average number of retail gasoline outlets operated by our panel remained virtually the same as last year—4.4. However, there was a large increase in New England, from 1.8 outlets last year, to 6.7 this year. Mid-Atlantic and West showed smaller increases, while the South and Midwest actually had reductions.

The average gasoline volume per station changed significantly since last year. In 1985, 73% said volume averaged less than 50,000 gals. per month. This year, that percentage has dropped off to 55.6%. The percentage in the 50-75,000 category has gone up from 16.3% last year to 41.0% this year, while the percentage of 75,000+ has dropped to just 3.3%.

Table 33 shows the percentage of motor fuel operators who provide the various products & services indicated. This hasn't changed much in the past year, with the possible exception of lottery tickets, which has grown to 33.2% from just 6.1% in 1985. Part of this can

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TABLE 28
Percent Recommending Furnace/Boiler Replacement Under Following Conditions

	New England	Mid-Atlantic	South	Mid-West	West	*All Sections*
Boiler leaks	90.5%	70.6%	I.D.	I.D.	80.0%	*80.4%*
Operating with no problems, but old & inefficient	66.7	64.7	I.D.	I.D.	80.0	*70.5*
Furnace/boiler gives continuous problems	57.1	58.8	I.D.	I.D.	66.7	*60.9*
Furnace emits fumes	81.0	41.2	I.D.	I.D.	53.3	*58.5*
Furnace/boiler is inefficient (but not necessarily old)	33.3	28.4	I.D.	I.D.	53.3	*38.7*
Furnace/boiler breaks down	42.9	35.3	I.D.	I.D.	33.3	*37.2*
Homeowner objects to heating bills	23.8	17.6	I.D.	I.D.	53.3	*31.6*
Homeowner threatens to convert to another fuel	9.5	23.5	I.D.	I.D.	53.3	*28.8*

*Less than .1%
I.D.—Insufficient Data

be because more states are now running lotteries and/or expanding the distribution chain.

Report Card

Our last set of statistics, Table 34, is a report card of our performance relative to the other publications available to petroleum marketers. As shown, *Fuel Oil News* is far and away the most helpful periodical in the field, a lead it has maintained since we first asked this question six years ago.

Our closest competition is our sister publication, *National Petroleum News*, which has been the industry "bible" for gasoline marketers for more than 75 years. The other gratifying statistic is that *Petroleum Equipment*, another Hunter Publishing sister and one which I helped launch in 1979, has moved up to number three on the list of industry publications most helpful to dealers in operating their fuel oil business. So the Hunter Energy Network publications—*Fuel Oil News*, *National Petroleum*

TABLE 29
Brand Name Specifications
(Percentage of dealers who recommend equipment replacements by brand)

	% Recommend Brand Name	% of Customers Following Recommendations
New England	76.2%	94.8%
Mid-Atlantic	64.7	73.2
South	I.D.	I.D.
Midwest	33.3	I.D.
West	80.0	82.5
All Sections	*63.6%*	*83.5%*

Insufficient Data

TABLE 30
Percent Indicating Major Factor in Brand Selection

	New England	Mid-Atlantic	South	Mid-West	West	*All Sections*
Quality of construction	65.1%	85.2%	I.D.	I.D.	33.3%	*61.2%*
Combustion efficiency	50.8	55.6	I.D.	I.D.	31.1	*45.8*
Low incidence of service requirements	20.6	14.8	I.D.	I.D.	22.2	*19.2*
Ease of service	23.8	14.8	I.D.	I.D.	13.3	*17.3*
Durability	9.5	25.9	I.D.	I.D.	2.2	*12.5*
Long warranty	6.3	3.7	I.D.	I.D.	6.7	*5.6*
Low retail price	4.8	*	I.D.	I.D.	11.1	*5.3*
Compactness	*	*	I.D.	I.D.	13.3	*4.4*
Quietness	*	*	I.D.	I.D.	11.1	*3.7*
High markup opportunity	*	*	I.D.	I.D.	4.4	*1.5*

*Less than .1%
I.D.—Insufficient Data

TABLE 31
No. of Retail Gasoline Outlets

New England	6.7
Mid-Atlantic	4.5
South	4.0
Midwest	3.4
West	3.5
All Sectors	*4.4*

TABLE 32
Average Gasoline Volume Per Station
(Percent Reporting Such Capability)

	Less than 50,000/ Month	50-75,000/ Mo.	75-100,000/ Mo.
New England	33.3%	66.7%	*
Mid-Atlantic	33.3	66.7	*
South	66.7	53.3	*
Midwest	57.9	31.6	10.5
West	86.7	6.7	6.7
All Sectors	*55.6%*	*41.0%*	*3.3%*

*Less than .1%

TABLE 33
Services Offered at Retail Outlets
(Percent Reporting Such Offerings)

	Check Cashing	Auto Service	Fast Food Deli	TBA	Lottery Tickets	Beer Wine	Bakery Goods	Canned Goods	Cigarettes Soda
New England	33.3%	33.3%	33.3%	33.3%	66.7%	*	66.7%	33.3%	66.7%
Mid-Atlantic	20.0	*	50.0	*	20.0	30.0	40.0	30.0	50.0
South	66.7	66.7	33.3	33.3	33.3	66.7	66.7	66.7	66.7
Midwest	53.8	76.9	76.9	76.9	30.8	38.5	46.2	53.8	100
West	46.2	69.2	38.5	61.5	15.4	46.2	30.8	46.2	68.2
All Sectors	*44.0%*	*49.2%*	*46.4%*	*41.0%*	*33.2%*	*36.3%*	*50.1%*	*46.0%*	*70.5%*

*Less than .1%

TABLE 34
Industry Publication Most Helpful to Dealers in Operating Their Fuel Oil Business.
(percent reporting)

	New England	Mid-Atlantic	South	Midwest	West	*All Sections*
Fuel Oil News	92.0%	83.9%	83.3%	79.3%	62.2%	*80.1%*
Nat'l. Petroleum News	12.0	29.0	33.3	37.9	40.5	*30.5*
Petroleum Equipment	12.0	16.1	*	31.0	24.3	*16.7*
Fueloil & Oil Heat	48.0	19.4	*	*	10.8	*15.6*
Oil Express	4.0	12.9	16.7	13.8	16.2	*12.7*
Petroleum Marketer	4.0	6.5	*	24.1	21.6	*11.2*
Pet. Mktg. Mgmt.	*	12.9	*	13.8	21.6	*9.7*
Oil Daily	8.0	9.7	*	20.7	8.1	*9.3*
Other	*	9.7	*	10.3	8.9	*5.8*
The Lundberg Letter	*	6.5	*	3.4	16.2	*5.2*
Contractor	*	6.5	*	*	2.7	*1.8*
Snips	*	*	*	*	*	*
Platt's Oilgram	*	9.7	*	*	*	*

*Less than .1%

News and *Petroleum Equipment*—finish one, two, three in the hearts and minds of our panel, which is terrific.

What It All Means

The annual study is a "bear" but a labor of love for our staff. Our aim in doing it every year is to provide some meaningful statistics for the industry in order to aid in business planning and give some indication on the mood and direction of oil marketers.

This year, it's fairly obvious that the industry is alive and well. Volume is up, as is the average number of customers and employees. Dealer commitment to the future is also evident through the increased investment in fleets, computers, storage and other facilities.

Although the equipment side of the business seems to have deteriorated, it may well be a deviation in the sample or a temporary re-evaluation. Equipment sales for those remaining in this business is healthy.

Last year we wrapped up our study by hoping that this year's results would show increases in volume, customers, equipment sales, etc. as a result of the bullish atmosphere surrounding the Centennial celebration in 1985. Thankfully, these hopes have come to pass in almost all the categories, and we're extremely confident that 1987 will be even better yet.

So as we said last year, we'll keep abreast of developments throughout the coming year and keep you in touch month after month.

1987 *Fuel Oil News* Editorial Highlights

January
- New Developments in Oil Heating Products
- ASHRAE Show Issue
- Navistar Truck Test

February
- Diversification & Profit Centers
- Hino Truck Test

March
- Terminals & Storage
- Oil Handling Equipment
- ASHRAE Report

April
- Service Management
- NAOHSM Show Issue
- Review of New Tax Laws

May
- Electronic Data Processing
- FMANJ (Atlantic City) Show Issue
- Computer Supplier Directory

June
- Research & Development
- NEFI Show Issue
- NAOHSM Report

July
- Mid-Year Report
- Fuel Quality
- Chemicals & Additives
- FMANJ Report

August
- Energy Conservation & Fuel Saving Devices
- Solid & Multi-Fuel Directory
- NEFI Report

September
- Oil Handling & Delivery
- Directory of Truck & Tank Manufacturers

October
- Promotions
- Association Directory
- PMAA/PEI Show Doubleheader

November
- Petroleum Futures Trading
- Oil Price Analysis

December
- 1988 Source Book